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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

day of OLIQU5+ 2008, by and between

Orbra J. Hou	land a smale Re	-r50N		
whose addresss is 33001 to and, <u>DALE PROPERTY SERVICES</u> , <u>L.</u> hereinabove named as Lessee, but all of the consideration of a cash by		of blank spaces) were prepared joi	ntly by Lessor and Lessee.	
described land, hereinafter called leased		istoni Comainai, cessor nercoy gi	and, ideads and idea exoretively to	y Eddood and remaining
.183 ACRES OF LAND, OUT OF THE MICHES H	MORE OR LESS, BEING LOT	(s) 13	, BLOCK	
FOR LOOPER	, TARRANT C , PAGE50		ING TO THAT CERTAIN P RDS OF TARRANT COUNT	LAT RECORDED
in the County of Tarrant, State of TE reversion, prescription of otherwise), for substances produced in association if commercial gases, as well as hydrocar land now or hereafter owned by Lessor Lessor agrees to execute at Lessoe's re of determining the amount of any shut-in	r the purpose of exploring for, develop erewith (including geophysical/seismic ion gases. In addition to the above-der which are contiguous or adjacent to the quest any additional or supplemental ins	ing, producing and marketing oil a operations). The term "gas" as scribed leased premises, this lease above-described leased premises fruments for a more complete or ac	used herein includes helium, cart ealso covers accretions and any sm s, and, in consideration of the aforer ecurate description of the land so cover the land so covers.	and non hydrocarbor bon dioxide and othe nall strips or parcels o mentioned cash bonus vered. For the purpose
as long thereafter as oil or gas or other otherwise maintained in effect pursuant 3. Royaltiles on oil, gas and other separated at Lessee's separator facilitie Lessor at the wellhead or to Lessor's or the wellhead market price then prevailing prevailing price) for production of simple of the production, severance, or other excise it Lessee shall have the continuing right to no such price then prevailing in the same the same or nearest preceding date as more wells on the leased premises or la are waiting on hydraulic fracture stimulate deemed to be producing in paying of there from is not being sold by Lessee, Lessor's credit in the depository designs while the well or wells are shut-in or profis being sold by Lessee from another we following cessation of such operations of terminate this lease.  4. All shut-in royalty payments un	o the provisions hereof, substances produced and saved hereu substances produced and saved hereu s, the royalty shall be TUENTH-F1 adit at the oil purchaser's transportation in the same field (or if there is no substances and the costs incurred by Lessee and the costs incurred by Lessee purchase such production at the prevaile field, then in the nearest field in which the date on which Lessee commences it does not be the date on which Lessee commences it does not be the purpose of maintaining them Lessee shall pay shut-in royalty of the delow, on or before the end of said function there from is not being sold by Lester this lease shall be paid or tendered the	d in paying quantities from the leas inder shall be paid by Lessee to Lean Comment of the provided that Lessee shall be price then prevailing in the san cluding casing head gas) and all red by Lessee from the sale there in delivering, processing or otherwilling wellhead market price paid for a there is such a prevailing price) proceed to there is such a prevailing price) proceed to the producing oil or gas or other subtime or production there from is not this lease. If for a period of 90 conform one dollar per acre then covered 90-day period and thereafter on or essee; provided that if this lease is unds pooled therewith, no shut-in rely pay shut-in royalty shall render to be the production to the sort of	ed premises or from lands pooled the assor as follows: (a) For oil and other of such production, to be delivered of such production, to be delivered all have the continuing right to purchase field, then in the nearest field in other substances covered hereby reof, less a proportionate part of a size marketing such gas or other subproduction of similar quality in the sursuant to comparable purchase cost the end of the primary term or any istances covered hereby in paying obeing sold by Lessee, such well or wells and by this lease, such well or wells and by this lease, such payment to be before each anniversary of the end of the missing maintained by oper oyalty shall be due until the end of the amount due, but tessee liable for the amount due, but tessee is address above or its set.	ner liquid hydrocarboni d at Lessee's option to ase such production a which there is such a which there is such a which there is such a pstances, provided tha ame field (or if there is intracts entered into or r time thereafter one o quantities or such wells wells shall nevertheless e shut-in or production a made to Lessor or to d of sald 90-day period rations, or if production the 90-day period nex but shall not operate to
be Lessor's depository agent for receiving draft and such payments or tenders to Led address known to Lessee shall constitute payment hereunder, Lessor shall, at Lessor premises or lands pooled therewith, or pursuant to the provisions of Paragrap nevertheless remain in force if Lessee con the leased premises or lands pooled the end of the primary term, or at any loperations reasonably calculated to obtain ocessation of more than 90 consecution there is production in paying quantities it leased shall drill such additional wells on to (a) develop the leased premises as the leased premises from uncompensated diadditional wells except as expressify province.	essor or to the depository by deposit in a proper payment. If the depository sho see's request, deliver to Lessee a proper payment, deliver to Lessee a proper payment, above, if Lessee drills a well whilf all production (whether or not in paying 6 or the action of any governmental unmences operations for reworking an otherewith within 90 days after complettor me thereafter, this lesse is not otherwith or restore production therefrom, this level days, and if any such operations restorm the lessed premises or lands pooled the formations then capable of producing aimage by any well or wells located on	the US Mails in a stamped enveloped inditiquidate or be succeeded by a recordable instrument naming and ich is incapable of producing in paying quantities) permanently ceases authority, then in the event this existing well or for drilling an addition of operations on such dry hole or se being maintained in force but Lease shall remain in force so long a utt in the production of oil or gas of the driving and a reasonably prudent of a erewith as a reasonably prudent of in paying quantities on the leased	pe addressed to the depository or to nother institution, or for any reason other institution as depository agent to the institution as depository agent to large a consister and cause, including a revisite as is not otherwise being maint onal well or for otherwise obtaining within 90 days after such cessation essee is then engaged in drilling, reason on other substances covered hereby, well capable of producing in paying perator would drill under the same or premises or lands pooled therewith	o the Lessor at the las fall or refuse to accept to receive payments, try hole") on the leased ton of unit boundaries tained in force it shall or restoring production. If at reworking or any other ins are prosecuted with the acceptance of quantities hereander, similar circumstances the or (b) to protect the
	not the obligation to pool all or any par obstances covered by this lease, either elstances to a subject of the	before or after the commencement ether or not similar pooling authoritinal not exceed 80 acres plus a mance of 10%; provided that a larger bed or permitted by any government scribed by applicable law or the appropriate producing conditions using the horizontal component of the gross of record a written declaration detail or any part of the leased prerich Lessor's royally is calculated shadons acreage in the unit, but only to that hereunder, and Lesses shall her commencement of production, is conform to any productive acreage up the revised unit and stating the autil, or upon permanent cessalion.	at of production, whenever Lessee of by exists with respect to such other is aximum acreage tolerance of 10%, a unit may be formed for an oil well or notal authority having jurisdiction to depropriate governmental authority, or means a well with an initial gas-oil standard lease separator facilities ross completion interval in facilities is completion interval in facilities is completion interval in the reservois scribing the unit and stating the effectives shall be treated as if it were all be that proportion of the total unit of the extent such proportion of unit ave the recurring right but not the oil order to conform to the well space determination made by such govern which royalties are payable here in thereof, Lessee may terminate the	deems it necessary or ands or interests. The and for a gas well or a result or so. For the purpose or, if no definition is so ratio of 100,000 cubic or equivalent testing or equivalent testing ir exceeds the vertical ective date of pooling, production, drifting or to production which the try production is sold by bligation to revise any sing or density pattern rumental authority. In tent any portion of the sounder shall thereafter

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.
- such part of the leased premises.

  8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be refleved of all obligations (the reafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to
- Lessee with respect to the transferred interest, and rainted in the transferred to saviny such congruences that he transferred to saving the sa If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the driffing of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other fands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or fands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, reg
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase in writing of said offer immediately, including in the notice the name and address of the offeror, the price and all other pertinent terms and conditions of the offer. Lessee, for a period of lifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect

- time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lesson LESSOR (WHETHER ONE OR MORE) By: ACKNOWLEDGMENT STATE OF TEXCLO COUNTY OF TOUR This instrument was acknown by: Or Or Cl HOWO rd owledged before major the KISHA G. PACKER POŁK Notary Public, State of Texas Notary Public, State of TEVOS My Commission Expires Notary's name (printed): April 15, 2012 Notary's commission expires: STATE OF COUNTY OF This instrument was acknowledged before me on the 2008 day of

> Notery Public, State of Notary's name (printed): Notary's commission expires:



## DALE RESOURCES 3000 ALTA MESA BLVD STE 300

FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 08/13/2008 08:30 AM
Instrument#: D208316177
LSE: 3 PGS

By:

D208316177

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